

KENTUCKY TRANSPORTATION CABINET
DEPARTMENT OF HIGHWAYS
DIVISION OF CONSTRUCTION
DBE Detailed Plan/SUBCONTRACT REQUEST

Reviewed + Approved
PK 11/24/04

PROJECT CODE NO : 04-1019

DBE Firm/Subcontract # : 2

TO : Rick Stansel

Executive Director Division of Contract Procurement

FROM : Faulkner Construction, LLC

Prime Contractor

SUBJECT : Jefferson

County

IM 265-2(007)5

Project Number

I hereby request to utilize for DBE participation a portion of the subject project to:
N.H. Stone, Inc. of Sharpburg, KY

DBE Employer Identification Numbers: Federal 61-0675026 KY 070049
The amount to be subcontracted by this request is \$270,758.01 or 2.07% Contract \$271,124.20 or 2.07% of the
(original contract) or a subcontract amount of \$ 13,070,000.00

I have previously requested approval for subcontracts or agreements with other DBE as follows:

Name of DBE firm	DBE Amount	DBE %	Contract "Worth" Amount	Contract %
Contractors Services Unlimited, Inc.	\$360,966.10	2.76%	616,726.00	4.72%

Totals based on original contract Amounts

\$631,724.11

4.83%

\$887,850.20

6.79%

This section applicable if DBE firm is also a Subcontractor of work on Project:

This subcontractor has been furnished a copy of Appendix B of 49 CFR Part 29 and advised to include the Certification in all lower tier covered transactions and in all solicitations for lower tier transactions (Federal Aid Contracts only).

The proposed subcontractor is on the Department's list of qualified contractors and has current insurance coverage: Policy Number C0979X7846, 810979X7846, 1041 which expires on January 1, 2005 with

Travelers Ins., AIK

Name of Insurance Company

Date

[Signature]

Prime Contractor's Signature

11-22-04

Date

Recommended by Office of Minority Affairs Signature

Date Recommended by Office of Minority Affairs

KENTUCKY TRANSPORTATION CABINET
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TC 63-35 DBE
Rev. 06/11/02

Page 3 of 3

Project Code Number (PCN): **41019**

DBE Firm **N.H. Stone, Inc.**

(*) When description is limited by such as "Laying Only" "Erection Only" "Manipulation Only" etc. it should be so indicated and explained.

(**) When the quantity is not the entire amount of (Contract) or (Sub-Contract) estimate, limitations by stations must be shown or definitely designated in some suitable, positive manner.

Unit prices using Contract "worth" Unit Price should be for Bid Unit Price for work to be performed by Sub Contractor. If partial work item ie "laying only" then use agreed to price for Contract "worth" Unit Price. DBE Unit price should be for the agreed upon price for item or portion of item of contract work.

The Items to be subcontracted are as follows:

Estimate Sub Section Seq. #	Proposal Item No.	Description	Unit	Contract Quantity	Contract "Worth" Unit Price	Dollar Amount based on Contract Price	DBE Quantity	DBE Unit Price	Dollar Amount based on DBE Price
90	DELINATOR FOR GUARDRAIL WHITE	EA	166.0000	\$4.65	\$771.90	166.0000	\$4.65	\$771.90	
140	GUARDRAIL-STEEL W BEAM-S FACE LF	LF	2,812.5000	\$17.00	\$47,812.50	2,812.5000	\$17.00	\$47,812.50	
150	GUARDRAIL-STEEL W BEAM-D FACE LF	LF	275.0000	\$23.00	\$6,325.00	275.0000	\$23.00	\$6,325.00	
160	GUARDRAIL TERMINAL SECTION NOEA	EA	2.0000	\$50.00	\$100.00	2.0000	\$41.30	\$82.60	
170	GUARDRAIL CONNECT TO BR END T EA	EA	4.0000	\$2,000.00	\$8,000.00	4.0000	\$2,046.40	\$8,185.60	
180	CRASH CUSHION TYPE IX-A	EA	2.0000	\$5,500.00	\$11,000.00	2.0000	\$5,342.35	\$10,684.70	
190	GUARDRAIL END TREATMENT TYPE EA	EA	3.000000	\$560.00	\$1,680.00	3.000000	\$560.00	\$1,680.00	
200	REMOVE GUARDRAIL	LF	3,083.000000	\$1.60	\$4,932.80	3,083.000000	\$1.53	\$4,716.99	
210	GUARDRAIL CONNECT TO BR END T EA	EA	1.00	\$350.00	\$350.00	1.00	\$346.00	\$346.00	
220	GUARDRAIL END TREATMENT TYPE EA	EA	5.00	\$1,900.000000	\$9,500.00	5.00	\$1,903.50	\$9,517.50	
360	EROSION CONTROL BLANKET	SY	146,800.00	\$1.17	\$171,756.00	146,800.00	\$1.17	\$171,756.00	
1060	SBM ALUMINUM PANEL SIGNS	SF	60.00	\$17.00	\$1,020.00	60.00	\$17.50	\$1,050.00	
1070	FLEXIBLE DELINATOR POST -W	EA	138.00	\$26.00	\$3,588.00	138.00	\$25.85	\$3,567.30	
1080	GMSS GALV STEEL TYPE B	LB	864.00	\$2.00	\$1,728.00	864.00	\$1.94	\$1,676.16	
1090	REMOVE SIGHN SUPPORT BEAM	EA	4.00	\$150.00	\$600.00	4.00	\$152.80	\$611.20	
1100	CLASS A CONCRETE FOR SIGNS	CY	5.60	\$350.00	\$1,960.00	5.60	\$352.60	\$1,974.56	

Comments:

Page Total **\$271,124.20**

\$270,758.01

SUBCONTRACT AGREEMENT NO. 2

This AGREEMENT is made and entered into as of November 10, 2004, by and between **FAULKNER CONSTRUCTION, LLC**, a Kentucky Limited Liability Company with its principal office located at 4623 Illinois Avenue, Louisville, Kentucky 40213 ("Contractor") and **N. H. STONE, INC.**, with its principal office located at P.O. Box 239, Sharpsburg, Kentucky 40374 ("Subcontractor").

RECITALS:

A. Contractor has entered into a contract with the Transportation Cabinet (the "Owner") by which Contractor has agreed to furnish all material and labor necessary for the construction of: *Gene Snyder Freeway I-265 Structural Overlay, IM 265-2(007)5*, (the "Project") in accordance with the plans and specifications prepared by the Kentucky Department of Highways (the "Architect/Engineer").

B. Contractor and Subcontractor have agreed that Subcontractor shall perform the work on a portion of the project as more particularly set forth in this Agreement.

C. Subcontractor shall be required to furnish Contractor a payment and performance bond in a form and amount satisfactory to Contractor.

AGREEMENT:

NOW, THEREFORE, the parties agree as follows:

1. Agreement to Furnish Materials and Perform Work.

(a) Contractor retains the Subcontractor as an independent contractor to perform the work set forth in Subsection 1 (b) below (the "Subcontractor's Work"). Subcontractor shall furnish, at its expense, all labor, materials, equipment, permits, shop drawings, samples and other incidentals necessary to perform the Subcontractor's Work. Subcontractor shall perform the Subcontractor's Work according to the provisions set forth in the contract between Contractor and Owner, including all plans, drawings, specifications, addenda and other contract documents which are a part of the contract between Contractor and the Owner (the "General Contractor"). The General Contractor is a part of this Agreement as fully as if it were attached as part of this Agreement or repeated herein. Copies of the General Contract are on file at the offices of Contractor and are available during its regular working hours.

(b) Subcontractor's Work on the Project shall be the following, which shall be performed pursuant to the Schedule (as defined in Section 3) provided by Contractor: The unit prices and quantities, where applicable, for Subcontractor's Work are as follows:

Item #	Description	Quantity	Unit Price	Amount
0090	DELINEATOR FOR GUARDRAIL-WHITE	166.00 EA	4.65	\$771.90
0140	GUARDRAIL-STEEL W BEAM-S FACE	2,812.50 LF	17.00	\$47,812.50
0150	GUARDRAIL-STEEL W BEAM-D FACE	275.00 LF	23.00	\$6,325.00
0160	GUARDRAIL TERMINAL SECTION NO. 1	2.00 EA	41.30	\$82.60
0170	GUARDRAIL CONNECT TO BR END TY A	4.00 EA	2,046.40	\$8,185.60
0180	CRASH CUSHION TYPE IX-A	2.00 EA	5,342.35	\$10,684.70
0190	GUARDRAIL END TREATMENT TYPE 2A	3.00 EA	560.00	\$1,680.00
0200	REMOVE GUARDRAIL	3,083.00 LF	1.53	\$4,716.99
0210	GUARDRAIL CONNECT TO BR END TY A-1	1.00 EA	346.00	\$346.00
0220	GUARDRAIL END TREATMENT TYPE 4A	5.00 EA	1,903.50	\$9,517.50
0360	EROSION CONTROL BLANKET	146,800.00 SY	1.17	\$171,756.00
1060	SBM ALUMINUM PANEL SIGNS	60.00 SF	17.50	\$1,050.00
1070	FLEXIBLE DELINEATOR POST-W	138.00 EA	25.85	\$3,567.30
1080	GMSS GALV STEEL TYPE B	864.00 LB	1.94	\$1,676.16
1090	REMOVE SIGN SUPPORT BEAM	4.00 EA	152.80	\$611.20
1100	CLASS A CONCRETE FOR SIGNS	5.60 CY	352.60	\$1,974.56
TOTAL =				\$270,758.01

(c) Subcontractor agrees to perform the Subcontractor's Work under the general direction of Contractor and subject to the final approval of the Architect/Engineer or other specified representatives of the Owner. Subcontractor binds itself to Contractor for the performance of the Subcontractor's Work in the same manner as the Owner has bound Contractor for performance under the provisions of the General Contract. If any questions arise with respect to the interpretation of the drawings, specifications, or other provisions of the General Contract, those questions shall be submitted to the Architect/Engineer. If there is no Architect/Engineer for the Project, the Contractor's decision shall be final and binding on Subcontractor.

(d) Subcontractor shall be responsible for the Subcontractor's Work, its materials and equipment, and shall be liable for all losses and damages to them prior to the final completion and acceptance of the Project. Subcontractor shall pay all costs of shipping to the Project the materials, equipment, labor and the like that it will need in the Subcontractor's Work. Subcontractor shall route all equipment and materials to be used in the Subcontractor's Work as the Contractor may designate, provided the transportation costs are not increased by doing so. The designated carrier shall be an agent of Subcontractor and not the agent of Contractor.

(e) Subcontractor shall pay all sales taxes and other taxes arising from its performance of the Subcontractor's Work. Subcontractor assumes exclusive liability for the payment of any contributions or taxes for Unemployment Insurance and Old Age Retirement Benefit Pensions or Annuities that are imposed now or hereafter by the government of the United States or any state, which are measured by the wages, salaries or other remuneration paid to persons employed by Subcontractor to work on the Subcontractor's Work.

2. Payments to the Subcontractor by the Contractor

(a) Partial payments shall be made to the subcontractor for work performed under this Subcontract when and in amounts received by the Contractor from the Owner. Within ten days after final acceptance of the Project by the Owner and receipt of final payment by Contractor from the Owner, Contractor shall pay to Subcontractor all remaining amounts earned including amounts withheld. All sales and other taxes arising from Subcontractor's Work are included within the price to be paid to Subcontractor.

(b) Contractor shall make no payments unless Subcontractor's rate of progress, work performed and materials furnished are in compliance with the provisions of this Agreement and Subcontractor is not otherwise in default hereunder. All payments to Subcontractor are conditioned upon receipt by Contractor of its payment from Owner. Approval of any portion of the Subcontractor's Work and payment of Subcontractor for that portion does not constitute or imply acceptance by Contractor or the Owner of any portion of the Subcontractor's Work.

(c) Subcontractor shall pay in full from amounts received from Contractor for the performance of the Subcontractor's Work all labor, supplies, materials, rentals on equipment and the like, which are related to the performance of the Subcontractor's Work to satisfy its other obligations or for any other purpose until all such labor, supplies, materials, rentals and the like have been paid in full. Subcontractor shall furnish satisfactory evidence, when requested by Contractor, to verify compliance with this requirement.

(d) Contractor may deduct from any amounts due or to become due to Subcontractor any amount owed by it to Contractor. If Subcontractor breaches any provision or obligation of this Agreement or of the General Contract, or if a third party asserts a claim or lien against the Owner, Contractor, its surety or the premises upon which the Subcontractor's Work was performed and that claim or lien is a result of Subcontractor's performance of failure to perform, Contractor shall have the right to withhold out of payments due to become due to Subcontractor an amount sufficient to completely protect Contractor from any and all loss, damage or expense from such breach, claim or lien. Contractor may withhold that amount until Subcontractor has remedied the claim or lien to the satisfaction of the Contractor. This section is applicable even though Subcontractor has posted a full payment or performance bond.

(e) If Contractor deems Subcontractor's financial condition to be unsound, Contractor may take any appropriate action as it deems necessary to protect itself against claims, including the right to control the application of funds otherwise payable to Subcontractor to satisfy its obligations related to its performance of the Subcontractor's Work. Subcontractor also agrees to make immediate payment of unpaid bills to claimants on notice by Contractor to do so.

3. Prosecution of the Subcontractor's Work

(a) Time is of the essence in the performance of the Subcontractor's Work. Subcontractor agrees to perform the Subcontractor's Work punctually so that the entire Project may be completed according to the provisions of the General Contract. Contractor shall prepare a schedule of the work, which sets forth the time by which Subcontractor must complete portions of the Subcontract's Work (the "Schedule"). Subcontractor acknowledges that revisions may be made in the Schedule. Subcontractor shall not be entitled to any damages for delay or acceleration caused by revisions in the Schedule and its sole remedy shall be a time extension. No extension of time is valid without Contractor's written consent after claim made by Subcontractor.

(b) Subcontractor shall prosecute the Subcontractor's Work diligently, continuously, and expeditiously in accordance with the Schedule and General Contract without hindering the work of Contractor or any other subcontractors in order to avoid delay in the completion of the Project on time. Subcontractor shall continue to provide and perform the Subcontractor's Work regardless of labor disputes on site and regardless of the cause of such disputes. Subcontractor's failure or refusal to continue to so provide and perform the Subcontractor's Work shall be cause for termination of this Agreement by Contractor under Section 8. If Subcontractor damages the work of others, Subcontractor will bear the cost and responsibility to correct that damage to the satisfaction of the Contractor and the Owner. If Subcontractor fails to complete portions of the Subcontractor's Work as required by the Schedule, it shall work, without additional compensation, the overtime as Contractor may direct until the Subcontractor's Work is in compliance with the Schedule.

(c) Subcontractor shall obtain Contractor's prior approval for all materials, drawings, schedules, and other items that will be used on the Subcontractor's Work. To expedite Contractor's approval, the Subcontractor shall promptly furnish all samples, lists, drawings, cuts, and schedules to Contractor prior to their use on the project. However approval by Contractor of any item does not relieve Subcontractor of its responsibility of complying with the requirements of the general Contract.

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(d) ~~In the prosecution of the Subcontractor's Work, Subcontractor agrees to recognize and comply with all agreements, if any, of the Contractor with local trade councils and/or separate unions concerning labor and working conditions and other matters applicable to the Work on the Project.~~ Subcontractor shall comply with all social security laws, unemployment compensation laws, worker's compensation laws, the safety laws and all other federal and state laws and regulations, insofar as they are applicable to the performance of the Subcontractor's Work. Subcontractor also shall maintain its own safety programs for compliance with all applicable laws and regulations related to safety. Subcontractor shall not remove any guards or safety appliances, except on authority of Contractor or Contractor's authorized representative and shall replace the guards and appliances promptly. If Subcontractor fails to make replacement, Contractor may do so and charge the cost to Subcontractor.

(e) Contractor shall have the right, at any time, to include as addenda to this Agreement any federal and state laws and regulations, now existing or which may

hereafter be enacted and which may now be, or which hereafter may become, pertinent to Subcontractor's Work. Subcontractor shall be bound by the terms of any addenda and when required by such federal or state law or regulation shall insert like terms and provisions in all of its subcontracts. For the purposes of this subsection (e), a "subcontract" means a contract entered into by Subcontractor with any individual, partnership, Association, Corporation, or other business enterprise for a specific part of the Subcontractor's Work to be performed or materials to be furnished for Subcontractor's Work.

(f) Subcontractor shall pay not less than the scale of wages prescribed in the General Contract, or not less than the scale prescribed by law in case General Contract provides no such scale.

(g) Subcontractor shall keep the premises of the Project reasonably clean of debris resulting from the performance of the Subcontractor's Work. If Subcontractor refuses or fails to do so within 48 hours after receipt of notice of noncompliance from Contractor, Contractor may perform the necessary clean up and deduct the cost from any amounts due to Subcontractor.

(h) If Subcontractor deems premises of the Project unsuitable in any manner, it shall notify Contractor of the unsatisfactory conditions before proceeding or taking any remedial action. Otherwise, Subcontractor shall be fully and solely responsible for any and all expenses, loss or damage resulting from that condition and Contractor shall be relieved from all liability in connection therewith.

(i) Upon request of Contractor, Subcontractor shall furnish the Contractor, from time to time: (i) sworn affidavits which state amounts due or to become due for labor, materials, supplies, rentals on equipment and the like, used or to be used by Subcontractor on the Subcontractor's Work; (ii) partial or final releases of lien from Subcontractor's materialmen, laborers or creditors; and (iii) a list of all equipment not owned by Subcontractor, together with the names of the owners of the equipment and the terms of any lease.

4. Changes in the Subcontractor's Work

(a) Contractor and Subcontractor agree that Contractor may change the Subcontractor's Work or the amount of work required for the Subcontractor's Work. Any changes made shall be by a written amendment to this Agreement setting forth in detail the changes involved and their values, on which Contractor and Subcontractor mutually agree. Subcontractor agrees to proceed promptly with the Subcontractor's Work as changed, pending any determination of its value, when so ordered in writing by Contractor, unless Contractor first requests a proposal of cost before the change is effected. If Contractor requests a proposal of cost for a change, Subcontractor shall comply promptly with that request.

- (b) Subcontractor shall be entitled to no extra compensation for any additional work or changes to the job unless Contractor has issued a written order for such change (the "Change Order"). If Contractor orders extra work and Subcontractor performs it without receiving a Change Order, Subcontractor shall be deemed to have waived any claim for extra compensation, regardless of any written or verbal protest or claims by Subcontractor. When Subcontractor proceeds with such changes without a Change Order it shall be responsible for all costs incurred by the Contractor for changes of any kind made by Subcontractor that increase the cost of the Project for either the Contractors or other subcontractors.
- (c) Subcontractor agrees that no claims for additional services rendered or materials furnished by it to Contractor shall be valid unless Subcontractor gives notice to Contractor prior to furnishing the services or materials. However, if the Owner or Architect/Engineer determines that the work for which Subcontractor claims extra compensation does not entitle Contractor to a Change Order or extra compensation for the additional work on the Subcontractor's Work, unless Contractor agreed in writing to the extra compensation.

5. Insurance and Indemnity

The Subcontractor shall purchase and maintain insurance of the following types of coverages and limits of liability:

- (a) Commercial General Liability (CGL) with limits of Insurance of not less than \$1,000,000.00 each occurrence and \$2,000,000.00 Annual Aggregate.
 - 1) If the CGL coverage contains a General Aggregate Limit, such General Aggregate shall apply separately to each project.
 - 2) CGL coverage shall be written on ISO Occurrence form CG 00 01 1093 or a substitute form providing equivalent coverage and shall cover liability arising from premises, operations, independent contractors, products-completed operations, and personal and advertising injury.
 - 3) ~~General Contractor, Owner and all other parties required of the General Contractor, shall be included as insureds on the CGL, using ISO Additional Insured Endorsement CG 20 10 11 85 or an endorsement providing equivalent coverage to the additional insureds. This insurance for the additional insureds shall be as broad as the coverage provided for the named insured subcontractor. It shall apply as Primary Insurance before any other insurance or self-insurance, including any deductible, maintained by, or provided to, the additional insured.~~
 - 4) ~~Subcontractor shall maintain CGL coverage for itself and all additional insureds for the duration of the project and maintain~~

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~~A~~ CSH Completed Operations coverage for itself ~~and each additional insured~~ for at least 3 years after completion of the Work.

(b) Automobile Liability

- 1) Business Auto Liability with limits of at least \$1,000,000 each accident.
- 2) Business Auto coverage must include coverage for liability arising out of all owned, leased, hired and non-owned automobiles.
- 3) ~~General Contractor, Owner and all other parties required of the General Contractor, shall be included as insureds on the auto policy.~~

(c) Commercial Umbrella

- 1) Umbrella limits must be at least \$1,000,000.
- 2) ~~Umbrella Coverage must include as insureds all entities that are additional insureds on the CGL.~~
- 3) ~~Umbrella coverage for such additional insureds shall apply as primary before any other insurance or self insurance, including any deductible, maintained by, or provided to, the additional insured other than the CGL, Auto Liability and Employers Liability coverages maintained by the Subcontractor.~~

(d) Workers Compensation and Employers Liability

- 1) Employers Liability Insurance limits of at least \$500,000 each accident for bodily injury by accident and \$500,000 each employee for injury by disease.
- 2) Where applicable, U.S. Longshore and Harborworkers Compensation Act Endorsement shall be attached to the policy.
- 3) Where applicable, the Maritime Coverage Endorsement shall be attached to the policy.

(e) Waiver of Subrogation

Subcontractor waives all rights against Contractor, Owner and Architect and their agents, officers, directors and employees for recovery of damages to the extent these damages are covered by commercial general liability, commercial umbrella liability, business auto liability or workers compensation and employers liability insurance maintained per requirements stated above.

(f) Certificate of Insurance

~~Unless waived in writing by the Contractor, the foregoing insurance policies shall name Contractor and Owner as additional insured parties.~~ Moreover, the foregoing insurance policies also shall contain a provision that the coverage afforded under the policies will not be cancelled or not renewed until the insurance carrier has given prior written notice of at least 30 days to Contractor. Certificates of insurance acceptable to Contractor shall be filed with its prior to the commencement of the Subcontractor's Work.

(g) Indemnity

To the fullest extent permitted by law, the subcontractor shall indemnify and hold harmless the Owner, Contractor, Architect, Architect's consultants and agents and employees of any them from and against all injuries, claims, damages, losses and expenses, including but not limited to attorney's fees, arising directly or indirectly out of the obligations herein undertaken or resulting out of operations conducted by the Subcontractor, the Subcontractor's Subcontractors, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such injury, claim, damage, loss or expense is caused in part by a party indemnified hereunder, save and except claims or litigation caused by or resulting from the sole negligence of the party indemnified hereunder. Such obligations shall negate, abridge or otherwise reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this paragraph.

6. Performance Bond and Labor and Material Payment Bond

- (a) If required by Contractor, Subcontractor shall furnish Contractor a Performance Bond and a Labor and Material Payment Bond in a form and amount satisfactory to Contractor. This obligation shall continue throughout the agreement and may be increased or required at any time during the performance of the Subcontractor's Work by a Change Order.

7. Warranty

- (a) Subcontractor agrees to make good promptly without cost to the Owner or Contractor any and all defects due to faulty workmanship or materials or both which may appear within the guarantee or warranty period so established in the General Contract. If the General Contract stipulates no period, then the guarantee shall be for a period of one year from date of completion and acceptance of the Project by the Owner. Subcontractor further agrees to execute any special guarantee as provided by the terms of the General Contract, prior to final payment.
- (b) If Subcontractor fails or neglects to proceed at once to correct any rejected or defective materials and workmanship to the satisfaction of Contractor, after receiving notice from it to do so, the Contractor may remedy the defects or make the changes it deems necessary at the expense of Subcontractor. Subcontractor agrees to pay to Contractor, on demand, any loss incurred by Contractor in remedying the defect or making the change, together with interest thereon at a rate equal to the "prime rate" charged by National City Bank of Louisville, Kentucky, as that bank announces its "prime rate" from time to time, until paid (the "Prime Rate")

8. Claims

- (a) If the parties agree, all claims, disputes and other matters in questions arising out of or relating to this Agreement or its breach shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then in effect. The award rendered by the arbitrators shall be final and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. Otherwise, any controversy shall be decided in a court of competent jurisdiction.
- (b) If Contractor and the Owner or others arbitrate matters relating to this Agreement, it shall be the responsibility of Subcontractor to prepare and present Contractor's case, to the extent the proceedings are related to this Agreement. Should Contractor enter into arbitration with the Owner or others regarding matters relating to this Agreement, Subcontractor shall be bound by the result of the arbitration to the same degree as the Contractor. Subcontractor shall carry on the Subcontractor's Work and maintain its progress during any arbitration proceedings.

9. Termination

- (a) The following events constitute defaults of this Agreement:
 - (i) If the Subcontractor at any time refuses or neglects to supply sufficient materials or equipment of the proper quality and quantity or properly skilled workmen, or fails in any respect to prosecute Subcontractor's Work with promptness and diligence.
 - (ii) If Subcontractor fails to comply with any of the provisions of this Agreement or fails to perform its obligations under this Agreement, or stops or interferes, in any manner, with the work of Contractors or other subcontractors.
 - (iii) If Subcontractor is unable to meet his debts generally as they become due, if a court of competent jurisdiction shall enter a decree adjudging Subcontractor bankrupt or insolvent; if a trustee receiver or other similar official of the Subcontractor is appointed on the grounds of insolvency or bankruptcy; or if Subcontractor makes a general assignment for the benefit of its creditors.
- (b) If Subcontractor fails to cure the default within the specified period (which period shall not be less than two working days) set forth in Contractor's written notice of default, Contractor, at its option, may terminate this Agreement by delivering written notice of termination to Subcontractor. Thereafter, Contractor may take any steps it deems advisable to prosecute the Subcontractor's Work to completion. To effect this, Contractor may take

possession of and use Subcontractor's equipment and materials as are situated on or near the Project. All money expended and all damages and extra expenses incurred by Contractor in completing the Subcontractor's Work shall be deducted from the amounts owed Subcontractor by Contractor. If the expenditures, together with the losses, damages and extra expenses, exceed the amount otherwise due to Subcontractor, Subcontractor agrees to pay Contractor, on demand, the full amount of the excess together with the interest thereon at rate equal to the Prime Rate (as defined in Subsection 7(b)). No action taken under this paragraph shall relieve Subcontractor's surety from liability.

- (c) If Contractor terminates this Agreement, Subcontractor shall not be entitled to any further payments hereunder until Subcontractor's Work has been completed and accepted by the Owner, and payment has been received by Contractor from Owner in respect thereto.

10. Miscellaneous

- (a) Subcontractor shall not assign nor subcontract this Agreement or any part of or any interest in it without first obtaining the written consent of Contractor. Nor shall Subcontractor assign or attempt to assign any funds accrued or to accrue under this Agreement without first obtaining the written consent of Contractor. No assignment shall be binding on Contractor unless it is accepted by it in writing.
- (b) Any notice, request, demand, instruction or other communication required or permitted by this Agreement shall be made in writing and shall be deemed to have been given upon personal delivery or deposit in the United State mail, certified mail, postage prepaid, return receipt requested, addressed to the Contractor or Subcontractor at its respective address set forth herein or to such other address as Subcontractor or Contractor may designate by notice.
- (c) The captions contained in this Agreement are inserted only as a matter of convenience and in no way define, limit or extend the scope or intent of this Agreement or any of its provisions. They shall be ignored in construing or interpreting this Agreement.
- (d) This Agreement shall be governed by, construed and enforced in accordance with, the law of the Commonwealth of Kentucky. If any court holds any provision of this Agreement or the application of a provision to any person or circumstances invalid, the remaining provisions of this Agreement and the application of the provision to persons or circumstances other than those to which it is held invalid, shall not be affected.
- (e) Waiver by any party to this Agreement of any breach of any provision any other party shall not operate or be construed as a waiver by that party of a different provision or of any subsequent breach of the same provision.
- (f) This Agreement shall inure to the benefit of the Contractor, Subcontractor and their respective successors and assigns.

ACORD™ CERTIFICATE OF LIABILITY INSURANCEDATE (MM/DD/YYYY)
11/18/04

PRODUCER

Lexington - Commercial
Palmer & Cay, Inc.
360 East Vine Street
Lexington, KY 40507

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION
ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE
HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR
ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

N. H. Stone, Inc.
P. O. Box 239
Attention: Fred Clark
Sharpsburg, KY 40374

INSURERS AFFORDING COVERAGE

NAIC

INSURER A: Travelers Prop Cas Ins Co

INSURER B: AIK Comp

INSURER C: Chubb Indemnity Insurance Co

INSURER D:

INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	CO979X7846	01/01/04	01/01/05	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$300,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000
A		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	810979X7846	01/01/04	01/01/05	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
A		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 10000	CUP979X7846	01/01/04	01/01/05	EACH OCCURRENCE \$5,000,000 AGGREGATE \$5,000,000 \$ \$ \$
B		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	1041	01/01/04	01/01/05	WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT \$2,000,000 E.L. DISEASE - EA EMPLOYEE \$2,000,000 E.L. DISEASE - POLICY LIMIT \$2,000,000
C		OTHER Excess Comm. Excess Liability	79815122	01/01/04	01/01/05	\$5,000,000 Ea. Occur. \$5,000,000 Aggregate

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Project: Jefferson County IM 265-2(007)5

CERTIFICATE HOLDER

Faulkner Construction, LLC
Attn: Chris Allen
4623 Illinois Avenue
Louisville, KY 40213

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Ch P. Bantz